

**Lansing Board of Water and Light
Employees' Defined Contribution
Pension Plan**

**Financial Report
with Supplemental Information
June 30, 2008**

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

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Independent Auditor's Report

To the Honorable Mayor, Members of
the City Council, and Commissioners
of the Board of Water and Light
Lansing Board of Water and Light Employees'
Defined Contribution Pension Plan
City of Lansing, Michigan

We have audited the accompanying statement of plan assets of Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the "Plan") as of June 30, 2008 and 2007 and the related statement of changes in plan assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan assets of the Plan at June 30, 2008 and 2007 and the changes in plan assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of changes in plan assets by fund (supplemental information) is presented for the purpose of additional analysis of the basic financial statements rather than to present information regarding the plan assets and changes in plan assets of the individual funds. The statement of changes in plan assets by fund is not a required part of the basic financial statements. The statement of changes in plan assets by fund has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The management's discussion and analysis on pages 2 and 3 is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Plante & Moran, PLLC

September 11, 2008

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of two parts (1) management's discussion and analysis (this section) and (2) the basic financial statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the prior two years:

	2008	2007	2006
Assets held in trust:			
Mutual funds	\$ 117,829,370	\$ 132,326,450	\$ 117,908,446
Participant loans and other	3,732,949	3,836,650	3,828,764
Total assets held in trust	<u><u>\$ 121,562,319</u></u>	<u><u>\$ 136,163,100</u></u>	<u><u>\$ 121,737,210</u></u>
Changes in plan assets:			
Net investment income	\$ (9,754,272)	\$ 19,360,597	\$ 10,433,314
Employer and participant contributions	5,448,034	5,055,280	5,617,142
Benefits paid to participants	(9,813,167)	(9,772,635)	(7,372,593)
Loan defaults and other decreases	(481,376)	(217,352)	(525,124)
Net change in plan assets	<u><u>\$ (14,600,781)</u></u>	<u><u>\$ 14,425,890</u></u>	<u><u>\$ 8,152,739</u></u>

During fiscal year 2008, net investment income was a negative \$9.7 million due to the decline of the stock market as a whole. We believe that this performance is in line with the normal volatility experienced by the stock and bond markets.

The benefits paid to participants have slightly increased over fiscal year 2007 as more participants reach retirement age and begin to draw upon their pensions.

Investment Objectives and Asset Allocation

The principal purpose of the Plan is to provide benefits at a normal retirement age; the principal goal of the investment of the funds should be both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of participants. Investments, other than "fixed-dollar" investments, should be included among the Plan's investment options to prevent erosion of value by inflation. However, investments should be sufficiently liquid to enable the Plan, on short notice, to make some distributions in the event of the termination, death, or disability of a participant.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Management's Discussion and Analysis (Continued)

The Plan allows each participant to direct the investment of the funds in his or her plan accounts. The Lansing Board of Water and Light (the BWL) will offer various investment options (consistent with the investment policy statement), among which participants may choose to invest their respective interests in the Plan. The BWL periodically reviews the performance of investment options available to participants to ensure that each such option is meeting its investment objectives.

Investment Results

The fiscal year ended June 30, 2008 saw negative net investment income due to the decline of the stock market as a whole. We believe that this is in line with the normal volatility experienced by the stock market.

Other Changes in Plan Assets

In fiscal year 2008, the BWL issued a request for proposal (RFP) for a retirement and savings plan administrator for the Plan. Currently, the RFP responses are being evaluated and a recommendation will be made in fiscal year 2009.

Future Events

Other than a potential change in the plan administrator as discussed above, the BWL has no current plans to revise the terms of its defined contribution pension plan.

Contacting the Plan's Management

This financial report is intended to provide a general overview of the Plan's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the office of Susan Devon, chief financial officer and executive director of administration, at P.O. Box 13007, Lansing, Michigan 48901-3007.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Plan Assets

	June 30	
	2008	2007
Assets - Participant-directed investments (Note I)		
Mutual funds:		
Stable Value Fund - Stable Value 30	\$ 24,952,515	\$ 25,885,420
Income funds:		
Dryden High Yield Z	2,211,391	2,585,931
PIMCO Total Return Bond Admin	4,508,128	3,401,765
Balanced funds - American Balanced A	5,194,480	5,538,317
Growth and income funds:		
Jennison Utility Z	3,147,810	2,865,522
Jennison Value Z	1,717,631	2,056,266
Mutual Qualified Income A	5,059,237	6,196,604
Dryden Stock Index I	7,216,937	8,859,877
Target Conservative Growth Z	504,389	577,288
Growth funds:		
Mutual Discovery A	6,778,703	8,158,180
Jennison U.S. Emerging Growth Z	2,581,353	2,430,937
Target Moderate Growth Z	4,588,169	4,428,919
Target High Growth Z	1,207,767	1,249,960
Jennison Small Company Z	1,890,029	2,335,647
Jennison Blend Z	4,416,939	4,891,630
Scudder-Dreman High Return Equity A	9,590,879	13,417,337
Franklin Small-Mid Cap Growth A	7,992,341	9,732,142
Jennison Growth Z	4,535,350	4,183,899
Dreyfus Small Cap Stock Index	937,024	1,028,835
ALLIANZ NFJ Small Cap Value A	2,925,922	3,053,014
International funds:		
Dryden International Value Z	1,127,182	1,346,873
Templeton Growth A	9,421,184	12,507,571
MFS Global Total Return A	1,551,630	1,449,433
Specialty funds:		
Eaton Vance Worldwide Sciences A	1,320,489	1,471,542
Scudder Technology A	1,810,205	2,070,847
Janus Global Technology	641,686	602,694
Total mutual funds	117,829,370	132,326,450
Self-directed brokerage account	721,121	838,601
Participant loans	3,011,828	2,998,049
Assets Held in Trust for Pension Benefits	\$ 121,562,319	\$ 136,163,100

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets

	Year Ended June 30	
	2008	2007
Increase		
Investment income (loss):		
Net (depreciation) appreciation in fair value of investments	\$ (11,764,286)	\$ 17,618,836
Interest income	238,165	199,887
Dividend income	1,771,849	1,541,874
Total investment (loss) income	(9,754,272)	19,360,597
Employer contributions (Note 1)	5,128,206	5,028,681
Participant rollover contributions	319,828	26,599
Total increases, net of realized and unrealized gains and losses	(4,306,238)	24,415,877
Decrease		
Benefits paid to participants	9,813,167	9,772,635
Loan defaults	393,395	91,132
Participants' loan fees	18,165	13,615
Other	69,816	112,605
Total decreases	10,294,543	9,989,987
Net Change in Assets Held	(14,600,781)	14,425,890
Assets Held in Trust for Pension Benefits		
Beginning of year	136,163,100	121,737,210
End of year	<u>\$ 121,562,319</u>	<u>\$ 136,163,100</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2008 and 2007**

Note 1 - Description of the Plan

The following description of Lansing Board of Water and Light Employees' Defined Contribution Pension Plan (the "Plan") provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan was established by the Lansing Board of Water and Light (the BWL) in 1997 under Section 5-203 of the City Charter. Prior to its establishment, the BWL sponsored a defined benefit plan (Plan for Employees' Pensions of the Board of Water and Light - City of Lansing, Michigan - Defined Benefit Plan) in which substantially all employees of the BWL were participants. Effective December 1, 1997, all active participants of the defined benefit plan were required to make an irrevocable choice to either remain in the defined benefit plan or move to the newly established defined contribution plan (Lansing Board of Water and Light Employees' Defined Contribution Plan). Those participants who elected to move to the defined contribution plan received lump-sum distributions from the defined benefit plan, which were rolled into their accounts in the new defined contribution plan. Of the 760 active participants who were required to make this election, 602 elected to convert their retirement benefits to the newly established defined contribution plan. As a result of this action, effective December 1, 1997, the Board of Commissioners transferred \$75,116,470 to the newly established defined contribution plan, reflecting the plan participants' accumulated benefits as of said date.

The plan administrator controls and manages the operation and administration of the Plan and has contracted with Prudential Investments Retirement Services to perform certain administrative services.

Contributions - For employees hired before January 1, 1997, the BWL is required to contribute 15 percent of the employees' compensation. For employees hired on or after January 1, 1997, the BWL is required to contribute 8.1 percent of the employees' compensation. In addition, the BWL is required to contribute an additional 3.0 percent of the employees' compensation for all employees who are not eligible to receive overtime pay and 0.5 percent of the employees' compensation for all non-bargaining employees. The Board of Commissioners of the Board of Water and Light - City of Lansing may amend the Plan's provisions and contribution requirements.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2008 and 2007

Note 1 - Description of the Plan (Continued)

Participant Accounts - Each participant's account is credited with the participant's rollover contributions and withdrawals, as applicable, and allocations of the BWL's contributions and plan earnings. Allocations are based on participants' earnings or account balances, as defined in the plan document. Forfeited balances of terminated participants' nonvested accounts are used to reduce future BWL contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

As of June 30, 2008, there were 821 participants in the Plan, of which 695 were active employees. As of June 30, 2007, there were 801 participants in the Plan, of which 691 were active employees.

Vesting - Participants vest in the BWL contribution and related earnings at the rate of 20 percent per year after completion of three years of service. Participants become fully vested after seven years of service.

Investment Options - Participants may direct contributions in any of the following investment options, which are administered by Prudential Investments Retirement Services. Since Prudential Investments Retirement Services is the custodian as defined by the Plan, transactions in the Prudential funds qualify as transactions with parties-in-interest.

Stable Value - Seeks safety of principal, adequate liquidity, and returns superior to shorter maturity alternatives by actively managing a diversified portfolio of assets issued by highly rated financial institutions and corporations as well as obligations of the U.S. government or its agencies. This type of investment option consists of the following fund:

- Stable Value 30

Income - Seeks to maximize current income, with capital appreciation as a secondary consideration, by investing primarily in debt securities issued by the U.S. government or its agencies and domestic and foreign corporations. This type of investment option consists of the following funds:

- Dryden High Yield Z
- PIMCO Total Return Bond Admin

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2008 and 2007**

Note 1 - Description of the Plan (Continued)

Balanced - Seeks both current income and capital appreciation by investing in a combination of stocks, bonds, and money market instruments. This type of investment option consists of the following fund:

- American Balanced A

Growth and Income - Seeks capital appreciation and current income by investing primarily in common and preferred stocks of corporations typically selected for both appreciation potential and dividend-paying ability. This type of investment option consists of the following funds:

- Jennison Utility Z
- Jennison Value Z
- Mutual Qualified Income A
- Dryden Stock Index I
- Target Conservative Growth Z

Growth - Seeks long-term capital appreciation by investing primarily in equity securities of companies with above-average growth prospects. Current income is a secondary concern. This type of investment option consists of the following funds:

- Mutual Discovery A
- Jennison U.S. Emerging Growth Z
- Target Moderate Growth Z
- Target High Growth Z
- Jennison Small Company Z
- Jennison Blend Z
- Scudder-Dreman High Return Equity A
- Franklin Small-Mid Cap Growth A
- Jennison Growth Z
- Dreyfus Small Cap Stock Index
- ALLIANZ NFJ Small Cap Value A

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

**Notes to Financial Statements
June 30, 2008 and 2007**

Note 1 - Description of the Plan (Continued)

International - Seeks long-term capital appreciation by investing primarily in equity securities of issuers located outside of the U.S. This type of investment option consists of the following funds:

- Dryden International Value Z
- Templeton Growth A
- MFS Global Total Return A

Specialty - Seeks capital appreciation by concentrating its investments in securities of companies within specific industries or sectors. This type of investment option consists of the following funds:

- Eaton Vance Worldwide Sciences A
- Scudder Technology A
- Janus Global Technology

Self-directed Brokerage Account - Participants with a minimum account balance of \$50,000 may transfer from their fund accounts a minimum of \$10,000 up to a maximum of 50 percent of their account balances to a self-directed brokerage account. Eligible investments are equity securities traded on U.S. exchanges valued at greater than \$5 and over 400 mutual funds from 18 investment management companies. Participants pay a \$100 annual account fee plus applicable commissions.

Loans to Participants - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of the lesser of \$50,000 or 50 percent of their account balances. Loan transactions are treated as transfers between the investment fund and the loan fund. Loan terms range from one to five years or up to 20 years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with prevailing rates as determined periodically by the plan administrator. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits - Upon termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or choose from a variety of periodic payment options.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2008 and 2007

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Plan have been prepared using the accrual method of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition - The investments are stated at market value based on closing sales prices reported on recognized securities exchanges on the last business day of the year, or for listed securities having no sales reported, and for unlisted securities, upon the last reported bid prices on that date. The mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Dividend income is recorded on the ex-dividend date.

Valuation of Loans to Participants - The loans to participants are valued at cost plus accrued interest, which approximates fair value.

Expenses - The Plan's expenses are paid by the BWL as provided by the plan document.

Regulatory Status - The Plan is not subject to the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) as it has been established for the benefit of a governmental unit.

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2008 and 2007

Note 3 - Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Plan's deposits and investment policies are in accordance with statutory authority.

Risks at June 30, 2008

Custodial Credit Risk of Bank Deposits - At the end of the year, the Plan has no bank deposits.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds	\$ 117,829,370	Not rated	Not rated

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Notes to Financial Statements June 30, 2008 and 2007

Note 3 - Investments (Continued)

Risks at June 30, 2007

Custodial Credit Risk of Bank Deposits - At the end of the year, the Plan has no bank deposits.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Plan has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Mutual funds	\$ 132,326,450	Not rated	Not rated

Note 4 - Plan Termination

Although it has not expressed any intention to do so, the BWL has the right under the Plan to terminate the Plan subject to the provisions set forth in Article 12 of the Plan. In the event of any termination of the Plan, or upon complete or partial discontinuance of contributions, the accounts of each affected participant shall become fully vested.

Note 5 - Tax Status

The Plan obtained its determination letter dated March 14, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has since been amended. Management believes the Plan continues to operate as a qualified plan. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Supplemental Information

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund

		Stable Value Fund	
		Year Ended June 30	
		2008	2007
Increase			
Investment income:			
Net appreciation (depreciation)			
in fair value of investments	\$ 1,152,705	\$ 1,154,579	
Interest income	46,701	42,715	
Dividend income	-	(60)	
Employer contributions	761,827	763,615	
Participant rollover contributions	9,963	5,017	
Loan repayments	242,234	210,933	
Other	(890)	(6,578)	
Total increases, net of realized and unrealized gains and losses		2,212,540	2,170,221
Decrease			
Benefits paid to participants	3,366,764	3,395,988	
Loans to participants	283,576	204,539	
Loan defaults	-	-	
Participants' loan fees	7,853	6,129	
Total decreases		3,658,193	3,606,656
Net (Increase) Decrease Prior to Interfund Transfers		(1,445,653)	(1,436,435)
Interfund Transfers		512,748	1,939,820
Net Increase (Decrease)		(932,905)	503,385
Assets Held in Trust for Pension Benefits			
Beginning of year	25,885,420	25,382,035	
End of year	<u>\$ 24,952,515</u>	<u>\$ 25,885,420</u>	

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Income Funds		Balanced Funds	
	Year Ended June 30		Year Ended June 30	
	2008	2007	2008	2007
Increase				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ (9,752)	\$ 77,095	\$ (587,278)	\$ 608,451
Interest income	8,601	7,854	9,059	6,240
Dividend income	387,681	345,385	152,088	131,830
Employer contributions	235,404	253,324	212,163	211,389
Participant rollover contributions	27,266	1,152	-	-
Loan repayments	39,035	42,957	37,066	37,639
Other	(299)	(252)	(39)	(38)
Total increases, net of realized and unrealized gains and losses	687,936	727,515	(176,941)	995,511
Decrease				
Benefits paid to participants	486,450	314,848	162,127	259,801
Loans to participants	45,028	48,830	50,025	18,282
Loan defaults	-	-	-	-
Participants' loan fees	651	1,262	773	713
Total decreases	532,129	364,940	212,925	278,796
Net Increase (Decrease) Prior to Interfund Transfers	155,807	362,575	(389,866)	716,715
Interfund Transfers	576,016	(169,159)	46,029	207,193
Net Increase (Decrease)	731,823	193,416	(343,837)	923,908
Assets Held in Trust for Pension Benefits				
Beginning of year	5,987,696	5,794,280	5,538,317	4,614,409
End of year	<u>\$ 6,719,519</u>	<u>\$ 5,987,696</u>	<u>\$ 5,194,480</u>	<u>\$ 5,538,317</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Growth and Income Funds		Growth Funds	
	Year Ended June 30		Year Ended June 30	
	2008	2007	2008	2007
Increase				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ (2,354,726)	\$ 3,701,516	\$ (6,915,569)	\$ 8,817,683
Interest income	28,111	23,921	110,287	90,199
Dividend income	395,360	330,499	590,628	508,834
Employer contributions	670,600	670,881	2,486,743	2,425,931
Participant rollover contributions	27,480	-	165,326	16,898
Loan repayments	131,481	135,407	518,272	558,806
Other	(361)	(1,579)	(741)	216
Total increases, net of realized and unrealized gains and losses	(1,102,055)	4,860,645	(3,045,054)	12,418,567
Decrease				
Benefits paid to participants	1,441,222	1,442,517	3,227,185	3,381,257
Loans to participants	194,429	140,433	771,414	636,371
Loan defaults	-	-	-	-
Participants' loan fees	3,091	2,365	3,613	3,008
Total decreases	1,638,742	1,585,315	4,002,212	4,020,636
Net (Increase) Decrease Prior to Interfund Transfers	(2,740,797)	3,275,330	(7,047,266)	8,397,931
Interfund Transfers	(168,756)	(1,685,674)	(418,758)	(1,443,669)
Net Increase (Decrease)	(2,909,553)	1,589,656	(7,466,024)	6,954,262
Assets Held in Trust for Pension Benefits				
Beginning of year	20,555,557	18,965,901	54,910,500	47,956,238
End of year	<u>\$ 17,646,004</u>	<u>\$ 20,555,557</u>	<u>\$ 47,444,476</u>	<u>\$ 54,910,500</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	International Funds		Specialty Funds	
	Year Ended June 30		Year Ended June 30	
	2008	2007	2008	2007
Increase				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ (2,663,318)	\$ 2,460,296	\$ (362,122)	\$ 711,451
Interest income	22,554	15,868	12,852	13,090
Dividend income	243,338	225,386	2,754	-
Employer contributions	582,302	492,889	179,167	210,652
Participant rollover contributions	16,142	3,131	73,651	401
Loan repayments	100,995	88,436	54,164	54,294
Other	(188)	(278)	(100)	(508)
Total increases, net of realized and unrealized gains and losses	(1,698,175)	3,285,728	(39,634)	989,380
Decrease				
Benefits paid to participants	959,642	702,753	169,777	275,471
Loans to participants	173,248	110,746	79,898	57,971
Loan defaults	-	-	-	-
Participants' loan fees	538	138	1,646	-
Total decreases	1,133,428	813,637	251,321	333,442
Net (Increase) Decrease Prior to Interfund Transfers	(2,831,603)	2,472,091	(290,955)	655,938
Interfund Transfers	(372,278)	1,584,410	(81,748)	(459,062)
Net Increase (Decrease)	(3,203,881)	4,056,501	(372,703)	196,876
Assets Held in Trust for Pension Benefits				
Beginning of year	15,303,877	11,247,376	4,145,083	3,948,207
End of year	<u>\$ 12,099,996</u>	<u>\$ 15,303,877</u>	<u>\$ 3,772,380</u>	<u>\$ 4,145,083</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Total Mutual Funds		Brokerage Account	
	Year Ended June 30		Year Ended June 30	
	2008	2007	2008	2007
Increase				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ (11,740,060)	\$ 17,531,071	\$ (24,226)	\$ 87,765
Interest income	238,165	199,887	-	-
Dividend income	1,771,849	1,541,874	-	-
Employer contributions	5,128,206	5,028,681	-	-
Participant rollover contributions	319,828	26,599	-	-
Loan repayments	1,123,247	1,128,472	-	-
Other	(2,618)	(9,017)	-	-
Total increases, net of realized and unrealized gains and losses	(3,161,383)	25,447,567	(24,226)	87,765
Decrease				
Benefits paid to participants	9,813,167	9,772,635	-	-
Loans to participants	1,597,618	1,217,172	1	-
Loan defaults	-	-	-	-
Participants' loan fees	18,165	13,615	-	-
Total decreases	11,428,950	11,003,422	1	-
Net (Increase) Decrease Prior to Interfund Transfers	(14,590,333)	14,444,145	(24,227)	87,765
Interfund Transfers	93,253	(26,141)	(93,253)	26,141
Net Increase (Decrease)	(14,497,080)	14,418,004	(117,480)	113,906
Assets Held in Trust for Pension Benefits				
Beginning of year	132,326,450	117,908,446	838,601	724,695
End of year	<u>\$117,829,370</u>	<u>\$132,326,450</u>	<u>\$ 721,121</u>	<u>\$ 838,601</u>

Lansing Board of Water and Light Employees' Defined Contribution Pension Plan

Statement of Changes in Plan Assets by Fund (Continued)

	Participant Loans		Total Investments	
	Year Ended June 30		Year Ended June 30	
	2008	2007	2008	2007
Increase				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	\$ -	\$ -	\$ (11,764,286)	\$ 17,618,836
Interest income	-	-	238,165	199,887
Dividend income	-	-	1,771,849	1,541,874
Employer contributions	-	-	5,128,206	5,028,681
Participant rollover contributions	-	-	319,828	26,599
Loan repayments	(1,123,246)	(1,128,472)	-	-
Other	(67,198)	(5,617)	(69,816)	(14,634)
Total increases, net of realized and unrealized gains and losses	(1,190,444)	(1,134,089)	(4,376,054)	24,401,243
Decrease				
Benefits paid to participants	-	-	9,813,167	9,772,635
Loans to participants	(1,597,618)	(1,119,201)	-	97,971
Loan defaults	393,395	91,132	393,395	91,132
Participants' loan fees	-	-	18,165	13,615
Total decreases	(1,204,223)	(1,028,069)	10,224,727	9,975,353
Net Increase (Decrease) Prior to Interfund Transfers	13,779	(106,020)	(14,600,781)	14,425,890
Interfund Transfers	-	-	-	-
Net Increase (Decrease)	13,779	(106,020)	(14,600,781)	14,425,890
Assets Held in Trust for Pension Benefits				
Beginning of year	2,998,049	3,104,069	136,163,100	121,737,210
End of year	<u>\$ 3,011,828</u>	<u>\$ 2,998,049</u>	<u>\$ 121,562,319</u>	<u>\$ 136,163,100</u>